Municipal Affairs and Housing

Municipal Sustainability Initiative Capital Project Funding Program Guidelines

Effective January 1, 2008
www.municipalaffairs.alberta.ca

Alberta

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1. What's New?

The Minister of Municipal Affairs and Housing hosted a series of eight consultation sessions on the Municipal Sustainability Initiative (MSI) with local government representatives from across Alberta in July and August of 2007. These guidelines reflect input gathered during these consultations, and will allow municipalities greater flexibility in completing projects that are local priorities. The major changes to the MSI Capital component include:

- New funding formula that:
  - allocates the majority of the funding by population, education property tax requisitions and kilometres of local road;
  - includes base funding for all municipalities; and
  - includes Sustainable Investment funding for communities with limited local assessment bases.
- Core and Community capital funding components have been combined into one capital funding component.
- Intermunicipal cooperation and joint funding requirements have been removed.
- Project Profile form has been revised to include an estimate of annual project costs and funding sources.
- Application for Program Acceptance form has been eliminated, as the revised Project Profile form now captures this information.
- 2007 MSI Capital funding that is carried over to be used in 2008 and/or the years following will follow the guidelines effective January 1, 2008.
- Municipalities will have up to six years to expend MSI Capital funding, rather than five.
- Municipalities may contribute MSI Capital funding to municipally-controlled and provincially-controlled entities for qualifying capital projects.

2. General Information

2.1) Key Dates

- Project Profiles are due April 1 of each year.

Exception for 2008 Funding
Project Profiles for 2008 are due on June 1, 2008.

- Statement of Funding and Expenditures forms for the prior year are due on May 1 of the current calendar year.

2.2) Contact Information

Acceptable electronic file templates for the Project Profile, Statement of Funding and Expenditures, and Multi-Year Capital Infrastructure Plan are available at www.municipalaffairs.alberta.ca under Municipal Grants.

All correspondence and questions should be directed to the contact information below. Signed Project Profiles and Statements of Funding and Expenditures may be submitted by mail, e-mail or fax.

Alberta Municipal Affairs and Housing
Municipal Services Branch
Municipal Grants and Information Services Unit
17th Floor, 10155 – 102 Street
Edmonton, AB T5J 4L4

Ph: (780) 427-2225 (or toll-free: 310-0000)
Fax: (780) 422-9133
E-mail: mah.msicapitalgrants@gov.ab.ca
Web site: www.municipalaffairs.alberta.ca

3. Program Description

3.1) Overview

The MSI represents the Province of Alberta's commitment to provide municipalities with long-term funding to assist them in meeting growth-related challenges and enhancing their long-term sustainability. These objectives are being met by providing new conditional grants to municipalities for the ten year period from 2007/08 until 2016/17.

In 2007, municipalities received a total of $400 million. This will increase to $500 million in 2008, $600 million in 2009, and $1.4 billion annually in 2010. The funding provided under this program is in addition to other provincial grant funding.

The Province sets the general criteria by which projects and activities qualify for funding under this program, and the municipality sets the individual priorities for those projects that qualify.

These program guidelines apply to MSI Capital funding, and have been substantially updated from the 2007 version. Information on the MSI Conditional Operating funding can be found on the Municipal Affairs and Housing website at www.municipalaffairs.alberta.ca .

3.2) Program Objectives

The objectives of the MSI are:

- To work in partnership with municipalities to manage growth pressures;
- To provide municipalities with sustainable funding; and

- To support infrastructure needs.

Municipalities are encouraged to consider these program objectives when determining their funding priorities. Municipalities are also strongly encouraged to support their communities by working together.

3.3) MSI Funding Formula

Municipalities will be advised of their annual MSI funding allocation once the provincial budget has been approved. This allocation is based on the following formula.

The majority of MSI funding will be allocated by a formula incorporating the following: 48 per cent allocated on a per capita basis; 48 per cent allocated based on education property tax requisitions; and four per cent allocated based on kilometres of local roads.

All municipalities with populations of 100 or greater will receive $35,000 in base funding in 2008 and 2009. Starting in 2010, the annual base funding will increase to $120,000.

Municipalities with populations less than 100 will receive pro-rated base funding of $350 per capita in 2008 and 2009. Starting in 2010, this amount will increase to $20,000 plus $1,000 per capita. Summer villages will receive 50 per cent of this base allocation.

Municipalities with populations under 10,000 and limited local assessment bases will also receive sustainable investment funding. A total of $15 million will be allocated in each budget year to qualifying municipalities.

For 2008, 2009, and 2010, no municipality will experience a decrease in its total allocation from the previous year. After 2010, municipalities will receive funding according to the formula outlined above. A municipality's allocation may vary from year to year due to relative changes in population, education tax requisition, and kilometres of local road.

Of the total MSI funding provided in each year, $50 million will be provided in the form of Conditional Operating funding to municipalities. Conditional Operating funding is a designated portion of each municipality's overall MSI funding allocation. This includes a base amount and, if applicable, sustainable investment funding. The remainder of the funding will be for qualifying capital projects that meet the criteria described in Schedules 1 and 2 (pages 15 to 22) of these guidelines.

3.4) Program Eligibility

For the purposes of this program, an eligible municipality means any municipality (city, town, village, summer village, specialized municipality, municipal district, improvement district, and special area) or Métis settlement.

4. Definitions

"Betterment" means the enhancement of the service potential of a capital asset, including an increase in physical output or service capacity, lowering of associated operating costs, extension of the useful life, or improvement in the quality of output.

"Capital project" means the acquisition, construction, development, betterment, or rehabilitation of a capital asset.

"Capital asset" means an asset having an expected life of more than one year.

"Capital cost" includes the cost of planning, design, construction, purchase, betterment, or rehabilitation of a capital asset.

"Maintenance" means any routine, recurring, superficial, or cosmetic activity necessary to ensure that an asset reaches its normal design life and/or retains an acceptable appearance throughout its life. Maintenance of a capital asset is not a capital project and does not qualify for Capital Project funding under MSI. However, maintenance costs are a qualifying operating expense under the MSI Conditional Operating program.

"Project" means any undertaking by a municipality that results in the purchase, rehabilitation, betterment, or construction of infrastructure.

"Rehabilitation" means any activity intended to extend the useful life of a fixed asset beyond its original expected or design life.

5. Funding Conditions

5.1) Project Qualification

Schedule 1 (page 15) provides a list of qualifying and non-qualifying costs related to the acquisition, construction, development, or betterment of the capital asset.

Schedule 2 (page 17) provides a list of general types of capital projects by category. Reasonable flexibility will be used in determining whether specific projects qualify for funding.

5.2) Incurring Capital Project Expenses

For new projects started on or after April 1, 2007, qualifying project costs will be eligible for funding.

For projects started before April 1, 2007, that are no more than 50 per cent complete on that date, qualifying project costs incurred on or after April 1, 2007, will qualify for funding.

All capital projects meeting the terms above will qualify for funding for the full length of the MSI, up to the full amount of the accepted qualifying project costs. Interest on borrowed funds does not qualify for MSI funding.

Exception for 2007 Funding

All 2007 MSI Capital funds that are carried over into 2008 are subject to the conditions of the MSI Capital Project Funding Program Guidelines effective January 1, 2008. Municipalities will be required to sign an amending 2007 MSI Capital Project Funding Memorandum of Agreement to facilitate this process.

All 2007 MSI Capital funding that a municipality intends to apply to project expenses that were incurred in 2007 must follow the 2007 MSI Capital Funding Guidelines.

5.3) *Time Period to Use Allocated Funds*

In order to provide flexibility in scheduling capital projects, and to accommodate larger projects requiring more than one year's grant allocation, MSI Capital funding provided and not expended in one year may be carried forward to the next five subsequent years. This provides a total of six years in which to use allocated funding. The funding must be expended on an accepted project before December 31st of the fifth subsequent year. For example, the 2007 allocation must be expended before December 31, 2013.

Funding that is not expended or committed within this period must be returned to the Province of Alberta.

Where a municipality intends to carry MSI funding forward to a future project, a Project Profile form should be submitted for the project to ensure that the municipality will continue to receive annual allocations (see Sections 6.3 and 6.6).

A municipality may also initiate projects that will be funded wholly, or in part, by estimated future year MSI Capital funding allocations. Financing charges, including interest costs that are a result of the municipality incurring project expenses prior to receiving MSI Capital funding, do not qualify under the program.

MSI Capital funding is subject to program changes and the availability of provincial funding for the program. Acceptance of a project on the basis of future funding allocations does not guarantee program continuance or the timing and amount of future funding.

5.4) *Application of Other Grant Funds*

For provincial-municipal or federal-municipal grant programs that require a municipal contribution, MSI Capital funds may be used to fund the municipal contribution, unless doing so is prohibited by that program.

MSI Capital funding may be combined with funding from other provincial-municipal or federal-municipal programs unless doing so is prohibited by that program. For example, if a municipality is constructing a road for $2.0 million, and is receiving funding under the Alberta Municipal Infrastructure Program of

$1.0 million for the road, MSI Capital funds may be used to fund the remaining $1.0 million of road construction costs.

5.5) *Funding Allocations and Municipal Restructuring*

Municipal restructuring will not negatively affect the funding allocations to municipalities under the MSI. In cases where amalgamation or dissolution has occurred, the unexpended portion of the funding allocation will be transferred to the amalgamated/receiving municipality.

Restructured municipalities will receive the equivalent funding allocation as would have been calculated pre-restructuring for five years of the program. This does not apply to municipalities that underwent restructuring prior to April 1, 2007.

For example, if two municipalities amalgamated on June 1, 2008, the restructured municipality will receive the benefit of an MSI allocation that will be calculated separately, as if the two municipalities had not amalgamated, until December 31, 2012. The restructured municipality would receive the total of the two calculated amounts.

Municipalities involved in an amalgamation or dissolution should bring any concerns regarding their MSI funding and/or any proposed expenditures that are awaiting acceptance to the attention of program staff.

5.6) *Award of Contracts*

All calls for proposals or tenders for projects to be funded under this program shall be carried out in accordance with the rules, regulations and laws governing such activities and in accordance with the best current practices. They must also be advertised consistent with the guidelines in the Trade, Investment and Labour Mobility Agreement (www.tilma.ca), which is anticipated to become effective in April 2009, and the Agreement on Internal Trade (www.ait-aci.ca).

The municipality may award contracts for planning, design, engineering, and architectural services for a municipal capital infrastructure project based on best overall value consistent with the municipality's policies.

The municipality may award contracts for construction, or purchase of a municipal capital infrastructure project by public tender based on either unit prices, or lump sum amounts.

In cases where a municipality has been unable to secure appropriate or cost-effective private sector services, or anticipates that this will be the case, the municipality may propose to utilize its own forces, including municipal staff and equipment, in accordance with Sections 5.7 (page 8) and 6.3 (page 11).

5.7) *Use of Municipal Forces*

In cases where a municipality has been unable to secure an appropriate or cost-effective private sector response to a proposal or tender for a construction project, or anticipates that it will be able to carry out the project

on a more efficient or cost-effective basis, a municipality may propose to utilize its own forces (staff and equipment). The additional Project Profile requirements are specified in Section 6.3 (page 11).

5.8) *Provincial Standards and Strategies*

Projects which do not meet provincially regulated standards will not qualify for MSI funding.

In cases where a project might be affected by provincially regulated standards (for example, projects along highways and water systems), the Project Profile must include a description of how the project complies with these standards.

For projects that involve regional water distribution and wastewater collection systems, the municipality must provide a description of how the project will appropriately fit within the Alberta Water for Life strategy (www.waterforlife.gov.ab.ca) when submitting the Project Profile.

Whenever a project is proposed to include work on a highway under provincial jurisdiction, the municipality must first enter into a separate agreement with Alberta Infrastructure and Transportation to permit the municipality to carry out the work within the highway right-of-way.

5.9) *Credit Items*

The following credit items shall be applied to any project accepted under the MSI:

- Interest earned on deposited grant funds.
- Rent and other income derived before project completion from capital assets (including land) purchased for a capital project.
- Proceeds from the sale of land purchased for a capital project and included in project costs but not required for the project.
- The appraised value of unsold land purchased for a capital project and included in project costs but not required for the project.
- The net salvage value on disposal of any material obtained from removal or demolition of any structure or any part of the facility or goods acquired for construction and not used.
- The income from the sale or trade-in of other capital assets that previously received a financial contribution from the Province.
- The funding from other sources such as developers (excluding off-site levies), railway companies, private organizations, and other government agencies (including other provincial government departments) where such funding has been provided for a project funded under the MSI.
- Donations or contributions in-kind including all goods and services.
- The Goods and Services Tax.

Where any credit item results in net proceeds to the municipality, such proceeds shall be credited to the municipality's MSI allocation amounts so as to be available for allocation to other projects accepted under the program.

6. Application Process

6.1) Annual Application Process

The following table summarizes the annual application process. Further details regarding each step are provided in Sections 6.2 to 6.9.

Activity	Date
Submit Project Profile	**April 1** of each year (contact program staff if an extension is needed)
Submit Multi-Year Capital Infrastructure Plan	Initially, for all submitted Project Profiles Thereafter, as required to include new or amended Project Profiles submitted
Review Process	**Ongoing**
Payment of Grant Allocation	By **June 30** of each year, following budget approval, and submission of Project Profile and previous year Statement of Funding and Expenditures
Submit year end Statement of Funding and Expenditures	**May 1** of following year

6.2) Memorandum of Agreement

MSI funding will be administered through a long-term Memorandum of Agreement (funding agreement) that was mailed to municipalities in October, 2007. This funding agreement will cover grant payments under the program from 2008 through 2016. A separate MSI Capital agreement, which was mailed to municipalities in August, 2007, covered 2007 MSI Capital funding.

Under the terms of the funding agreement, the municipality will be required to provide Municipal Affairs and Housing with:

- a Project Profile for each project;
- a Multi-Year Capital Infrastructure Plan showing all projects receiving MSI Capital funding; and
- an annual Statement of Funding and Expenditures for the previous year.

6.3) *Project Profiles*

The municipality must submit a separate Project Profile form to Municipal Affairs and Housing for each proposed project. The objective of the Project Profile is to provide basic information regarding the proposed project, to demonstrate that qualifying expenses have been assigned to the project, and to provide an estimate of annual project costs and funding sources.

The Project Profiles can be submitted to Municipal Affairs and Housing at any time prior to April 1 of each year. For example, Project Profiles for 2009 MSI funding must be submitted by April 1, 2009. Please contact program staff if an extension is required.

Exception for 2008 Project Profiles

For 2008, Project Profiles must be submitted by June 1, 2008.

For 2008, a municipality will not be required to submit Project Profiles prior to receiving its MSI funding. However, it must still submit its 2007 Statement of Funding and Expenditures prior to receiving funding. The municipality may not apply its 2008 funding allocation until the Minister has accepted one or more Project Profile(s) in writing.

If during the normal course of events the project changes significantly in either scope or scale, this profile should be updated and re-submitted in accordance with the amendment process described in Section 6.9, (page 13).

In cases where a municipality has been unable to secure an appropriate or cost-effective private sector response to a proposal or tender for a capital project, or anticipates that it will be able to carry out the capital project on a more efficient or cost-effective basis (see Section 5.6, page 8), the municipality may submit a Project Profile or amended Project Profile that proposes to utilize municipal forces (staff and equipment) to carry out the project (see Section 5.7, page 8). The Project Profile should include an economic analysis or business case to substantiate that this will result in a more efficient or cost-effective project.

In cases where a Project Profile proposes to purchase heavy equipment to be used primarily for capital project construction (see Schedule 2.9, page 20), the municipality will submit an economic analysis or business case to substantiate that this will result in a more efficient or cost-effective project, or series of projects, included in its Multi-Year Capital Infrastructure Plan (see Section 6.4, page 11).

6.4) *Multi-Year Capital Infrastructure Plan*

The municipality will submit a Multi-Year Capital Infrastructure Plan in prescribed form which lists all proposed capital expenditures over a five to ten year planning period. This plan should be based on the outcome of municipal infrastructure condition reports and/or other planning studies and reports substantiating the need, priority, and timing for the projects.

The objective of the plan is to provide a high level overview of the anticipated capital municipal expenditures for all grant supported, non-grant supported, and unfunded capital municipal expenditures over the planning period.

Copies of Multi-Year Capital Infrastructure Plans submitted for purposes of meeting the requirements of the Alberta Municipal Infrastructure Program, which is administered by Alberta Infrastructure and Transportation, will be sufficient for purposes of meeting the requirements under the MSI, as long as all projects intended to receive funding under the MSI are listed.

It is acknowledged that the Multi-Year Capital Infrastructure Plan is an estimate only, and that it will likely change from time to time as the condition of the existing municipal infrastructure and the needs and priorities of the municipality change. Periodic updating of the plan is recommended, and the updated plan is to be submitted to Municipal Affairs and Housing.

6.5) Review Process

Project Profiles submitted to Municipal Affairs and Housing will be reviewed to ensure each project meets the requirements set out in the program guidelines and are included in the Multi-Year Capital Infrastructure Plan. A recommendation will then be forwarded to the Minister.

It is anticipated that Project Profiles will be processed within ten to twelve weeks and municipalities will be advised of Project acceptance status.

6.6) Receipt of Funds

Payment of the annual allocation, up to the amount of accepted qualifying project costs on the submitted Project Profile(s), will follow approval of the provincial budget and receipt of the previous year's Statement of Funding and Expenditures (see Section 6.8, page 13).

6.7) Municipal Administration of Funds

The municipality must maintain separate accounting for the grant funds.

The municipality is encouraged to invest and earn income on all unexpended grant funds, subject to the provisions of Section 250 of the Municipal Government Act. The amount of the income earned on the funds is to be reported on the Statement of Funding and Expenditures and applied toward one or more qualifying MSI projects.

The amount of income earned on grant funds may be calculated by one of two methods:

- the actual income earned on the funds being held, or
- the estimated (notional) income earned on the funds. See the Municipal Affairs and Housing website for an example of this calculation.

6.8) *Statement of Funding and Expenditures*

The municipality will submit a Statement of Funding and Expenditures for the previous calendar year in prescribed form summarizing the grant amounts received, the actual amounts applied to accepted projects, as well as funds to be carried over to the next year. The Statement of Funding and Expenditures for expenditures from the previous calendar year must be submitted by May 1 of each year.

The Statement of Funding and Expenditures is signed by the Chief Administrative Officer, which certifies that the municipality is in compliance with the terms of the Funding Agreement and the program guidelines.

The projects listed on the Statement of Funding and Expenditures must correspond with accepted projects submitted on the Project Profile form(s).

All supporting documentation, such as reports, drawings, and invoices for each project must be retained by the municipality for a minimum of three years following completion of the project.

The Statement of Funding and Expenditures may be subject to a review by the Provincial Auditor General.

6.9) *Amendment Process*

In some cases, a municipality may find that a project cannot be completed as originally described. It is the department's intent to accommodate reasonable delays and problems where possible. However, to meet program accountability and reporting conditions, municipalities requesting changes to the scope of a project, project costs, or the year(s) in which expenses and/or revenues occur, must submit a request in writing that includes at the least the following:

- a revised Project Profile;
- the funds expended at the date of the request; and
- the reason for the change in project timing, change in costs, or the project description change.

Upon receipt of such a request, program staff will consider the request and provide recommendations to the Minister or representative. Municipalities will be advised in writing of the status of the request.

6.10) *Site Visits*

On an annual basis, program staff will select and visit a number of municipalities to discuss activities and view completed projects related to the MSI.

The main objective of a site visit is to review a municipality's experiences with its project(s) and expenditures under the program and explore the resulting benefits impacting the community.

A site visit offers an opportunity for municipal and program representatives to discuss how the program works, explore suggestions for improving the program, review the municipality's particular experiences and circumstances, and to tour or view project results where applicable.

Schedule 1 – Qualifying Capital Costs

Further to the general definitions of capital project and capital costs in Section 4 on page 6, capital project costs include the following costs related to the acquisition, construction, development, or betterment of the capital asset.

- The costs of a capital project can include the purchase cost of land required for the specific capital project or the appraised value of land owned by the municipality which is to be used for the specific capital project. Where land is purchased for a capital project, the project must be completed within five years from the date of the land purchase.
- Engineering and architecture for a capital asset, including planning, design, tender preparation and advertising.
- Construction supervision.
- Significant enhancements or improvements for the safety of users of a transportation or other municipal infrastructure system.
- Restoration of grass-standard landscaping in areas disturbed by construction or reconstruction of infrastructure facilities.
- Enhanced landscaping where necessary for the mitigation of the environmental impacts of qualifying infrastructure facilities (landscaping that is primarily aesthetic or beautification does not qualify).
- Net direct cost of right-of-way purchased, including legal and survey fees taking into account as credit items the salvage value of any improvements on the original site, proceeds from sale of residual lands, appraised value of residual land in year of construction and net income from land purchased in advance of construction.
- Functional planning and design studies for qualifying capital infrastructure projects.
- System-wide reviews where such reviews will have an impact on capital infrastructure expenditures.
- Project signs for major projects where requested by Municipal Affairs and Housing.
- Relocation and adjustment of associated utilities.
- Where capital projects are constructed or developed using municipal staff, all labour costs, including benefits, attributable to work carried out on the construction site. Project costs do not include staff or labour costs for project administration or overhead costs.
- Where capital projects are constructed or developed using construction equipment that is owned or leased by the municipality, the following costs:
    - costs of locating the equipment at and removing the equipment from the construction site (mobilization and demobilization).

- all operating, leasing, maintenance, and insurance costs attributable to the use of the construction equipment at the construction site.

- Municipal contributions to one of the following types of entities to enable that entity to acquire, construct, develop or better a capital asset which will be used to provide or deliver municipal services on a joint or regional basis, and where that entity is controlled by one or more municipalities or the Province of Alberta:
  - a municipality as defined in Section 1 of the Municipal Government Act;
  - a regional services commission established under Part 15.1 of the Municipal Government Act;
  - a controlled corporation as defined in Section 241 of the Municipal Government Act;
  - a non-profit organization as defined in Section 241 of the Municipal Government Act;
  - provincial agencies, crown-controlled school jurisdictions, universities, colleges, technical institutes, regional health authorities, and other health boards, excluding charter schools and school societies, that are included in the Government of Alberta annual report.
- Other capital infrastructure project costs as may be deemed appropriate by Municipal Affairs and Housing.

The following costs **do not qualify** for MSI Capital project funding:

- operating costs;
- interest;
- loan fees;
- Goods and Services Tax (GST);
- costs funded under other grant programs; and
- depreciation.

Schedule 2 – Capital Project Categories

The following sections provide a list of general types of capital projects that qualify for MSI Capital funding by category. Reasonable flexibility will be used in determining whether specific projects qualify for funding.

2.a) Municipal Roadways, Bridges, and Related Facilities and Equipment

- Construction, reconstruction and rehabilitation of roadways
- Construction, reconstruction and rehabilitation of road structures
- Construction, reconstruction and rehabilitation of railway or Light Rail Transit (LRT) grade separations
- Construction, reconstruction and rehabilitation of bridges
- Other ancillary works such as sidewalks, commuter bikeways, lighting, traffic control signals, pedestrian signals, storm drainage and utility relocations
- Construction or implementation of traffic management projects such as major intersection improvements, major traffic signal coordination, etc.
- Construction of noise attenuation devices as a part of a qualifying project, and rehabilitation of existing noise attenuation devices on qualifying roadways or transitways, consistent with the municipality's noise attenuation policy
- Municipality-wide or regional transportation planning studies and major systems planning reviews
- Transportation studies to address specific environmental and/or safety concerns including environmental impact assessments
- Other capital roadway projects as may be deemed appropriate by Municipal Affairs and Housing

2.b) Public Transit Vehicles and Facilities

- Construction and major rehabilitation of LRT lines, station structures, park and ride facilities, and LRT maintenance facilities. LRT lines must be designated in the municipality's transportation system bylaw
- Construction and rehabilitation of major public transit terminals and transit garages
- Purchase of LRT vehicles, "low-floor" standard buses, "low-floor" articulated buses, and accessible community public transit vehicles as well as specialized transit vehicles for seniors and/or persons with disabilities
- Major rehabilitation of public transit vehicles
- Comprehensive transit-stop retrofit programs to achieve a "barrier free path of travel" to accessible transit services
- System-wide capital transit improvement or betterment projects

- Purchase, development, and rehabilitation of major capital transit security devices, communication equipment, and other public safety enhancements
- Other capital transit projects as may be deemed appropriate by Municipal Affairs and Housing

2.c) *Water Supply, Treatment, and Distribution Systems*

- Raw-water supply lines to storage facilities
- Raw-water storage facilities
- Raw-water supply lines from storage facilities to treatment facilities
- Water treatment facilities
- Water pumping facilities
- Treated-water supply lines
- Treated-water storage facilities and related works
- Water distribution system extensions, betterment, and replacements, including individual services to the property line and municipally owned water meters
- Planning and/or design studies directly related to a qualifying Project
- Other capital water supply and treatment projects as may be deemed appropriate by Municipal Affairs and Housing

2.d) *Wastewater Collection and Treatment Systems*

- Sewage collection system extensions, betterment, and replacements, including service mains to the property line
- Wastewater pumping facilities
- Sewer from the collection system to the wastewater treatment facilities
- Wastewater treatment facilities
- Outfall sewers from the wastewater treatment facilities to the point of discharge or disposal and related works
- Planning and/or design studies directly related to a qualifying project
- Other capital wastewater projects as may be deemed appropriate by Municipal Affairs and Housing

2.e) *Storm Sewer Drainage Systems and Facilities*

- Construction of new storm water ditches and major relocation of existing storm water ditches (does not include routine maintenance or reconditioning of existing ditches)

- Replacement or rehabilitation of storm sewer collection lines including service lines, and catch basins
- Storm sewer construction, replacement, or rehabilitation
- Construction of new storm water retention ponds
- Snow dump sites
- Construction of new storm water treatment facilities
- Outfall storm sewers to the point of discharge or disposal and related works
- Other capital storm sewer projects as may be deemed appropriate by Municipal Affairs and Housing

2.f) Emergency Service Facilities and Equipment

- Fire Halls
- Police Stations
  - For those municipalities that are responsible for providing their own police services:
    - includes construction and major rehabilitation of police station buildings
    - may include replacement of related fixed central communications and computerized information management hardware, that is integral to the delivery of police emergency services
    - excludes smaller and mobile equipment such as office furniture, cars, pickup trucks, command centres, remote data access terminals and radios, other portable equipment, and personal use equipment
- Specialized fire fighting equipment such as:
  - pumper trucks
  - rapid attack trucks
  - aerial trucks
  - water delivery tankers (or tanker shuttles)
  - dangerous goods spill recovery tankers and related equipment
  - mobile command post vehicles (excluding cars and pickup trucks)
- Specialized rescue equipment such as:
  - equipment vehicles and personnel carriers
  - wildland equipment trailers
- Ambulances
  - Includes the vehicle and the basic on-board equipment necessary to make the vehicle functional as an ambulance

- Excludes all disposable supplies and equipment as well as other non-essential equipment that are considered to be operational in nature
- Emergency operations centres
- Portable emergency power generators
- Emergency vehicle storage facilities
- Rural signage systems
- Other emergency service projects as may be deemed appropriate by Municipal Affairs and Housing

2.g) *Solid Waste Management Facilities and Equipment*

- Waste collection depots
- Waste diversion – recycling and material recovery facilities
- Organics management
- Thermal treatment
- Waste disposal landfills
- Waste transfer vehicles, landfill compactors, loaders, and material handlers
- Other capital solid waste management projects as may be deemed appropriate by Municipal Affairs and Housing

2.h) *Regional and Community Airport Facilities and Equipment*

- Construction, reconstruction and rehabilitation of primary runway, cross-wind runways, secondary runways and taxiways, and runway extensions
- Construction, reconstruction and rehabilitation of apron
- Construction, reconstruction and rehabilitation of primary taxiway from main/terminal apron to runway
- Construction, reconstruction and major rehabilitation of buildings, including terminals and storage areas/sheds
- Development areas, access roads, fencing and drainage
- Lighting and navigation equipment
- Other regional and community airport facilities and equipment projects as may be deemed appropriate by Municipal Affairs and Housing

2.i) *Heavy Construction and Maintenance Equipment*

- Equipment that is a capital asset and that will be used primarily to construct or maintain an asset or system that would qualify as a capital project as defined in these guidelines (see additional Project Profile requirements in section 5.3, page 11), such as:

- large trucks
- trucks modified for specialized applications
- motor graders
- earth movers
- backhoes
- loaders
- excavators
- compactors
- cranes
- road pavers
- sanding trucks
- street sweepers
- snowplows
- vacuum trucks
- tractors

- Other heavy construction and maintenance equipment projects as may be deemed appropriate by Municipal Affairs and Housing
- Heavy equipment does not include bobcats, pick-up trucks, tractor-mounted equipment, and hand-held equipment

2.j) *Infrastructure Management Systems*

- Infrastructure management systems capable of recording and retrieving information on various types of infrastructure, including key infrastructure characteristics and condition, on a consistent basis to assist systematic infrastructure planning and management, including:
  - purchase of computer hardware and software to facilitate the Municipal Infrastructure Management System (MIMS) or other infrastructure management systems
  - collection and input of data
- Other infrastructure management systems projects as may be deemed appropriate by Municipal Affairs and Housing

2.k) *Environmental Energy Improvements*

- Retrofits of local government-owned buildings
- Energy systems such as renewable energy, combined heat and power cogeneration and district energy

- Street lighting retrofits
- Other capital energy projects as may be deemed appropriate by Municipal Affairs and Housing

2.l) Other Municipal Buildings and Facilities

- Recreational and sports facilities
- Libraries
- Municipal halls or administrative buildings
- Public works buildings
- Cultural/community centres
- Tourist facilities
- Campground facilities
- Convention or trade centres
- Exhibition buildings
- Performing arts facilities
- Museums
- Art galleries
- Designated local heritage sites
- Permanent park facilities
- Other municipal building projects as may be deemed appropriate by Municipal Affairs and Housing

2.m) Other Municipal Physical Infrastructure

- Public wharves, docks, and piers
- Rural or remote telecommunications such as fibre optic or copper cable, radio or satellite links in rural areas
- Other municipal physical infrastructure projects as may be deemed appropriate by Municipal Affairs and Housing